



PORTPATRICK HARBOUR



SITR has supported our work to save the heartbeat of the village.

Calum Currie, Chair, Portpatrick Community Benefit Society

Problem

The historic harbour of Portpatrick in Scotland was in financial difficulty and was under threat of being lost to a property developer due to financial mismanagement. Having not been repaired since 1850, the harbour was also in decay and in urgent need of maintenance and development.

Solution

A Community Benefit Society was formed to save the harbour and allow local people to have a stake in its future. Money was raised by the community to refurbish the harbour and its facilities.

Revenue Model

Individuals invested through community shares. The investment will be repaid through income generated from visiting boats.

Impact

Portpatrick Harbour serves a village of approx. 600 people in Portpatrick and is a popular destination for visitors in Scotland. Local restaurants, shops and businesses benefit from the influx of visitors to the newly refurbished harbour.

 **Invested** £100,000

 **Cost of capital** 1.5%

 **Turnover** Approx. £26,000

 **Duration of investment** 5 years

Organisational form

Community Benefit Society

Investors

Individual investors

Other key organisations

Community Shares Scotland, Social Investment Scotland

The information set out above is included for information purposes only and is not an offer or an invitation to buy or sell or a solicitation of an offer or invitation to buy or sell or enter into any agreement with respect to any security, product, service or investment.

SOCIAL INVESTMENT TAX RELIEF

Social Investment Tax Relief (SITR) is a new tax relief designed to encourage individuals to support charities and social enterprises and help them access new sources of finance. Individuals making an eligible investment can deduct 30% of the cost of their investment from their income tax liability.

Eligibility

The maximum investment into an individual organisation is approximately £280,000 over three years.

Individual investors can invest up to £1million and can invest in multiple social enterprises per year. This relief is set on a par with the Enterprise Investment Scheme (EIS).

In the 2014 Autumn Statement, the Government announced its intention for this limit to increase to £5million per year and £15million in total per organisation, subject to EU state aid clearance. The Government also intends to provide for social venture capital trusts in the near future.

Why investors are using SITR



I had heard about social impact investing but didn't know how I could get involved. The introduction of SITR meant I could make a social impact investment through a tax efficient structure. With the help of my financial planners, I was able to deploy capital into this innovative investment product which is addressing a cause that seems to me really worthwhile.

Mike Davies, Private Investor

Key terms

What organisations can benefit?

Charity	✓
Community Interest Company	✓
Community Benefit Society	✓

Product types

Unsecured loan	✓
Equity	✓
Quasi-equity	✓
Social Impact Bond	✓

Accessible to

Institutional investors	✗
Professional individual investors	✓
Retail investors	✓

Investment method

Direct	✓
Nominee fund	✓

Tax incentives

Income Tax Relief (30%)	✓
Capital Gains Tax Deferral Relief	✓
Capital Gains Tax Disposal Relief	✓

www.bigsocietycapital.com/social-investment-tax-relief

Any opinions expressed do not constitute investment advice and independent advice should be sought where appropriate. All information is current as of December 2015, subject to change without notice, and may become outdated over time.